

Statement from Representative Jon Knokey, HD 65 Bozeman
September 11th, 2017 – Interim Committee Hearing

I wanted to take a few minutes to explain why I am continuing the objection to the department's proposal to cut rates and services for Medicaid providers.

I served on the human services appropriations subcommittee that was in charge of setting the DPHHS budget. For weeks we heard testimony from hundreds of people from all over the state who explained how Medicaid impacted the lives of the elderly, disabled, developmentally restricted and mentally ill. We heard about the power of Medicaid for these people.

Now we are hearing from politicians. Anybody citing the absolute need to heavily tax Montanans to simply provide essential government services is wrong. Dead wrong. This argument is intellectually dishonest. According to the Legislative Fiscal Division, tax revenues since 2013 have grown at a healthy 6% while government spending has grown at 18.9%. We've spent three times what we've taken in over that period and blown through nearly a half-billion dollars of our financial safety net, some \$458 million. **In no way, do essential government services actually require new permanent taxes; we have a priority problem. Do not fall for the 'only way out is to tax' trap.** Let's not use those on Medicaid to win political points. **We need to re-define essential services and prioritize: elderly before able-bodied, disabled before museum.**

Both Republicans and Democrats, missed the near-term revenue forecast. In short, we are all to blame, me included. We must rise above name calling and outstretched fingers. This situation implores leadership, not politics.

Let's talk about the 2017 legislative session. On day one the budget that came to us from this administration did not address the issues we were hearing about from our citizens in the community. It included no increases in rates for Medicaid providers for the elderly (with dementia and Alzheimer's) and no funding for direct care workers, who are ensnarled in a workforce shortage crisis. To me this is the definition of essential services. Government's first obligation – its essential service – is to protect and empower the disabled, the elderly, children, veterans and poor working mothers.

As we built the budget I believe that we left Medicaid better than it was coming into the session. In addition, we passed HB 17 and HB 638 – both sponsored by two fiscally conservative Republicans (Ron Ehli and myself). This was part of a two pronged strategy to invest in essential services. First, HB 17 provided funding to get the elderly off the waiting list and get them assisted living care, so they don't die on a waitlist. Nearly 1k Montanans are in this situation today. Second, HB 638, was a bill for a modest wage increase for Direct Care Workers – those providing services to the disabled and elderly (approx. 3k workers). **Our clear intent was to put money into these essential programs, not reduce. Both of these were Republican-led investments that had overwhelming bipartisan legislative support.**

Then SB 261 was amended on April 26 - two days before the session ended - to include cuts and triggers. It was hard to know what this bill meant and it passed the House and Senate within 24 hours. I voted for it because there was nothing in 261 that would lead me to believe we were actually going to cut essential services. The only mention – *only mention* – of Medicaid in 261 was a potential cut to the Health Resources Division for the amount of \$3.5M.

Let me be clear, I was shocked to learn that the department was interpreting our legislative actions in SB 261 to mandate, or even allow for, a 3.47% cut across Medicaid.

Worse, SB 261 permanently cuts Medicaid services as well as HB 17 and HB 638. This is being touted as a short-term fix but the proposal is actually a permanent cut. This is unacceptable.

I am not a doctor
As far as I can tell, the DPHHS has yet to explain why they are cutting services for people and also making them permanent. It seems that the Dept. was asked to make changes and did not tackle any bureaucracy or efficiency or productivity gains – they've proposed nothing to cut government in the short-term, rather they only proposed to permanently cut services for the long-term.

We are living a crisis right now. While tax revenues have increased 6% year over year, we've still blown through nearly half a billion dollars since the current Governor came into office. We've been hemorrhaging cash, operating on fumes, and then the wildfires of 2017 hit. We will stand behind those brave souls that are charging towards fire, to put it out. And we will fund them. And we will also remember that the poor mother who loses the case worker that is working with her autistic son, is also in a crisis situation.

I am convinced these cuts to essential services do not represent legislative intent, and certainly not mine. At a minimum, they should NOT be permanent.